

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 447 – SB 793**

March 27, 2018

**SUMMARY OF ORIGINAL BILL:** Directs that the defenses to prosecution for criminal trespass do not apply to persons who are between the ages of 18 and 21, visibly intoxicated, disruptive, on the premises of a retail package store, and remain on the premises after being asked to leave.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (015864):** Deletes all language after the enacting clause. Exempts from the liquor-by-the drink (LBD) tax any samples or other alcoholic beverages given away or sold for consumption on the premises of a distillery.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 57-4-301(c), a LBD tax of 15 percent is levied on the sales price of all alcoholic beverages sold for consumption on premises.
- Pursuant to Tenn. Code Ann. § 57-3-202(i)(1)-(2), a distiller may currently sell or give away samples and drinks from bottles provided by a wholesaler; however, the wholesaler is required to remit all spirit gallonage taxes [\$4.40 / gallon, Tenn. Code Ann. § 57-3-302 (b)] and any applicable municipal inspection fee levied by a municipality (Tenn. Code Ann. § 57-3-501).
- Public Chapter 295 of 2017 authorized alcoholic beverages manufactured on the premises of a licensed distillery to be sold for on-premises consumption.
- Public Chapter 295 was reasonably assumed to result in additional state and local revenue due to additional LBD tax, state sales tax, and local option sales tax collections.
- The fiscal memorandum for Public Chapter 295 assumed an increase in state revenue exceeding \$17,100 and a permissive increase in local revenue exceeding \$13,500.

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- According to records maintained by the Department of Revenue (DOR), there are currently no distilleries registered to pay or that have paid any LBD taxes.
- Given that no LBD taxes were paid, it is assumed that no drinks were purchased nor sold for consumption on the premises of distilleries; therefore, no additional state sales tax or local option sales tax collections were collected.
- This legislation exempts from the LBD tax any alcoholic beverages sold on a distiller's premises.
- Due to the fact that Public Chapter 295 resulted in no additional state sales tax, local option sales tax, or LBD tax collections, it is assumed passage of this legislation will not have any significant impact upon collections for each individual tax; therefore, the bill as amended is estimated to have no significant fiscal impact upon state or local government.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb